Prior to Defendant's filing of the Notice of Removal, **Raymond Pruitt**, California-licensed insurance agent, is explicitly named as a defendant on the docket of the Los Angeles County Superior Court (Case No. 24STCV27909). The state court had accepted filings identifying Mr. Pruitt and calendared a motion hearing to formally

SUPPLEMENTAL MOTION:

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grant leave to amend and join Mr. Pruitt as a party defendant. This hearing was duly noticed and pending adjudication, preserving my statutory right under California law to join the forum defendant. See Plaintiff's operative Fourth Cause of Action.¹

1. Defunct Entity and Active Licenses

Mr. Pruitt's agency operated under Educators Insurance Sales LLC, https://agents.horacemann.com > RayPruitt, Los Angeles County California

Blvd, Claremont, CA 91711, with an active status and appointment to transact on behalf of Horace Mann Property & Casualty Insurance Company and related insurers. Despite this, corporate records from the California Secretary of State confirm that Educators Insurance Sales, LLC has been administratively dissolved or suspended under Entity No. 200926510090, meaning Mr. Pruitt transacted business outside the bounds of an active California corporate entity, violating Cal. Ins. Code §§ 1724–1725 and Cal. Corp. Code §§ 200–203, 2205.

ABOUT THE BUSINESS

Horace Mann Educators Corporation employs a hybrid business model that leverages both corporate infrastructure and independent agency networks to deliver insurance and financial services, with a particular emphasis on serving educators and public sector employees. In California, this model is operationalized through partnerships with small

¹ Plaintiff's FOURTH CAUSE OF ACTION: Negligent Misrepresentation "Plaintiff incorporates all preceding paragraphs as though fully set forth herein. Defendant negligently misrepresented the status of Plaintiff's payments, policy, and coverage through its agents. These misrepresentations caused Plaintiff financial losses and emotional distress."

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2.7 28 business owners, including licensed insurance brokers and agencies, who function as exclusive agents within their communities.

- 2. Agency Model and Community Integration: Horace Mann offers selected candidates the opportunity to establish their own agencies, backed by a robust support structure. This includes access to a defined niche customer base, proven market access strategies, and support from leadership teams and corporate resources. The company provides a clear career path for those willing to work diligently and learn, offering competitive compensation and the chance to assist educators in protecting their current assets and preparing for a successful future.
- 3. California Market Presence: In California, Horace Mann actively recruits agents across various regions, including Bakersfield, Baldwin Park, and Chula Vista. These agents are instrumental in delivering Horace Mann's suite of products and services to local communities, particularly focusing on the educational sector.
- 4. Regulatory Compliance and Oversight: Horace Mann's operations in California are subject to oversight by the California Department of Insurance. The company is listed among the licensed insurers authorized to sell residential insurance products in the state, ensuring compliance with state regulations and standards.

5. Conclusion

The Defendant has made remarks as to dismiss the Agent's LLC, because of the legal implications it has on the matter -- however, this would be a foolish

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presumption that undermines the entire business strategy of Horance Mann Insurance, since inception. It's actually a part of the reason I initially sought Horace Mann; I've come to learn very differently from what was expected. The Name Raymond Pruitt and Entity 'Educators Insurance Sales LLC' is splashed across all billing notices, policy documents and Horace Mann's Website.

Horace Mann's business model in California exemplifies a strategic integration of corporate support and local agency entrepreneurship. By empowering small business owners to serve as <u>exclusive agents</u>, the company effectively extends its reach into communities, particularly within the educational sector, while maintaining compliance with state regulatory frameworks.

A. CALIFORNIA REGULATORY FRAMEWORK AND CDI **ENFORCEMENT**

This matter implicates systemic violations under California Insurance Code §§ 700, 790.03(h), 790.034, 880, and 1871.3(a), as well as Vehicle Code § 11515(b). The California Department of Insurance (CDI) has already issued formal Orders to Show Cause and administrative penalties (CDI File No. UPA 2006-00004) against Horace Mann for:

- Failing to maintain complete claims records (10 C.C.R. § 2695.3(a));
- Failing to disclose or explain policy benefits (10 C.C.R. § 2695.4(a));
- Misrepresenting policy valuations and payments (10 C.C.R. § 2695.8(b));
- Failing to adopt and implement fair investigation standards (Cal. Ins. Code § 790.03(h)(3); and
- Failing to conduct business under the insurer's own name (Cal. Ins. Code § 880).

B. STATE JURISDICTIONAL PRIORITY AND ABSTENTION DOCTRINE

Given the CDI's his

California Superior

Sun Oil Co., 319 U

Morros, 268 F.3d or

Reconsideration.²

Under 28 U.S.C. §

joined and actively

precedent — include

Midwest Transit, I

Oats Markets, Inc.

Given the CDI's historical findings, prior penalties, and active regulatory oversight, the California Superior Court is the superior forum for adjudication. Under Burford v. Sun Oil Co., 319 U.S. 315 (1943), and Ninth Circuit authority (United States v. Morros, 268 F.3d 695, 703 (9th Cir. 2001)), Legal Authority for Remand and Reconsideration.²

Under 28 U.S.C. § 1441(b)(2), removal was barred due to the presence of a properly joined and actively engaged forum defendant. Even absent formal service, Ninth Circuit precedent — including Hunter v. Philip Morris USA, 582 F.3d 1039 (9th Cir. Cease); Midwest Transit, Inc. v. Hicks, 79 F.4th 1048 (9th Cir. 2023); and Lively v. Wild Oats Markets, Inc., 456 F.3d 933 (9th Cir. 2006) — establishes that active joinder efforts preclude removal and that procedural defects mandate remand under 28 U.S.C. § 1447(c). Reconsideration is proper under FRCP 54(b), 60(b)(1), and 60(d)(3) to correct error, address newly confirmed facts, and prevent fraud on the court.

DECLARATION

I, **Stephen Chapman**, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on May 7, 2025, in Los Angeles, California.

Stephen Chapman Plaintiff, Pro Se

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² federal courts should abstain where intervention would interfere with state regulatory regimes. California state courts possess specialized jurisdiction over insurance regulatory disputes and are better positioned to coordinate adjudication with CDI enforcement actions.



Activity in Case 2:24-cv-10546-MWF-BFM Stephen Chapman v. Horace Mann Property and Casualty Insurance Company Declaration

From cacd_ecfmail@cacd.uscourts.gov < cacd_ecfmail@cacd.uscourts.gov >

Date Mon 4/28/2025 6:06 PM

To ecfnef@cacd.uscourts.gov < ecfnef@cacd.uscourts.gov >

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

NOTE TO PUBLIC ACCESS USERS Judicial Conference of the United States policy permits attorneys of record and parties in a case (including pro se litigants) to receive one free electronic copy of all documents filed electronically, if receipt is required by law or directed by the filer. PACER access fees apply to all other users. To avoid later charges, download a copy of each document during this first viewing. However, if the referenced document is a transcript, the free copy and 30 page limit do not apply.

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

Notice of Electronic Filing

The following transaction was entered on 4/28/2025 at 6:06 PM PDT and filed on 1/30/2025

Case Name: Stephen Chapman v. Horace Mann Property and Casualty Insurance Company

Case Number: 2:24-cv-10546-MWF-BFM

Filer: Stephen Chapman

Document Number: 42

Docket Text:

DECLARATION OF STEPHEN R. CHAPMAN IN SUPPORT OF PLAINTIFF'S MOTION TO STRIKE ALL FEDERAL ACTIONS & FOR SANCTIONS AGAINST DEFENSE COUNSEL filed by Plaintiff Stephen Chapman. [Late Docketing Due to Clerks Office Error] (iv)

2:24-cv-10546-MWF-BFM Notice has been electronically mailed to:

Kristin A Ingulsrud kristin.ingulsrud@fmglaw.com, connie.spears@fmglaw.com

Marc J. Shrake mshrake@fmglaw.com, slovos@fmglaw.com

Stephen Chapman stefinchapman@outlook.com

2:24-cv-10546-MWF-BFM Notice has been delivered by First Class U. S. Mail or by other means <u>BY THE FILER</u> to :

The following document(s) are associated with this transaction:

Document description: Main Document

Original filename:C:\fakepath\LA24CV10546MWF-DECLARATION (LATE DOCKETTING).pdf

Electronic document Stamp:

[STAMP cacdStamp_ID=1020290914 [Date=4/28/2025] [FileNumber=40006546-0] [c2ebbbd5a6a0affe3ffb013fc4f608c6d89e261db8f6d341fbaff2e8764ecd9a8bb 6c8783eec77d95e31cb3675cc29cb9bd0df39464c54b400ae5bdae2978e0d]]



ONLINE SERVICES

Case Access



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NEW SEARCH

CASE INFORMATION

Case Information | Register Of Actions | FUTURE HEARINGS | PARTY INFORMATION | Documents Filed | Proceedings Held

Case Number: 24STCV27909

STEPHEN CHAPMAN VS HORACE MANN PROPERTY & CASUALTY INSURANCE COMPANY

Filing Courthouse: Stanley Mosk Courthouse

Filing Date: 10/24/2024

Case Type: Insurance Coverage (not complex) (General Jurisdiction)

Status: Pending

Click here to access document images for this case

If this link fails, you may go to the Case Document Images site and search using the case number displayed on this page

FUTURE HEARINGS

Case Information | Register Of Actions | FUTURE HEARINGS | PARTY INFORMATION | Documents Filed | Proceedings Held

04/29/2025 at 08:45 AM in Department 40 at 111 North Hill Street, Los Angeles, CA 90012

Hearing on Motion for Order Striking Defendant's Notice of Removal, Grant Leave to Amend Complaint, and Remand Case to State Court

PARTY INFORMATION

Case Information | Register Of Actions | FUTURE HEARINGS | PARTY INFORMATION | Documents Filed | Proceedings Held

CHAPMAN STEPHEN - Plaintiff

HORACE MANN PROPERTY & CASUALTY INSURANCE COMPANY - Defendant

INGULSRUD KRISTIN - Attorney for Defendant

PRUITT RAYMOND DBA RAYMOND PRUITT - Defendant

DOCUMENTS FILED

Case Information | Register Of Actions | FUTURE HEARINGS | PARTY INFORMATION | Documents Filed | Proceedings Held

Documents Filed (Filing dates listed in descending order)

97

98

99

100

101

102

103

104

105

106

107

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FOURTH CAUSE OF ACTION: Negligent Misrepresentation

Plaintiff incorporates all preceding paragraphs as though fully set forth herein. Defendant negligently misrepresented the status of Plaintiff's payments, policy, and coverage through its agents. These misrepresentations caused Plaintiff financial losses and emotional distress.

FIFTH CAUSE OF ACTION: Breach of Fiduciary Duty

Plaintiff incorporates all preceding paragraphs as though fully set forth herein. Defendant owed Plaintiff a fiduciary duty to act in good faith and exercise reasonable care in handling his policy and claims. Defendant breached this duty by wrongfully canceling the policy, misrepresenting payment records, and failing to properly investigate Plaintiff's claims. As a result, Plaintiff suffered financial harm and emotional distress.

SIXTH CAUSE OF ACTION: Malfeasance

Plaintiff incorporates all preceding paragraphs as though fully set forth herein. Defendant engaged in malfeasance, including submitting fraudulent documents and misrepresenting payment status to justify wrongful cancellation. This conduct caused Plaintiff significant financial losses and emotional distress.

SEVENTH CAUSE OF ACTION: Oppressive Conduct

RE: EXTERNAL! Re: 470UF Horace Manni Person all Abito insurance Quotege

From: Pruitt, Raymond Raymond.Pruitt@horacemann.com

To: Stephen Chapman stephen__chapman@outlook.com

Date: Wed, Jan 5, 2022, 4:24 PM

For the auto insurance, please choose the down payment and monthly schedule:

- \$626.73 down and the balance of 626.85 due in approximately 90 days or
- 213.78 down and \$104.88 every 2 weeks or
- \$213.70 down and \$260.72 for 6 months.

Thank you,

Ray

Ray Pruitt

office 909-625-5500

fax 909-992-3154

Agent License #0D67347

https://go.oncehub.com/RayPruitt

From: Stephen Chapman stephen__chapman@outlook.com

To: Pruitt, Raymond Raymond.Pruitt@horacemann.com

Date: Wed, Jan 5, 2022, 4:36 PM

Hi ray,

Let's move forward with option 3 \$213.70 down and \$260.72 for 6 months.

Thanks

Get Outlook for iOS

From: Pruitt, Raymond Raymond.Pruitt@horacemann.com

To: Stephen Chapman stephen__chapman@outlook.com

Date: Thu, Jan 6, 2022, 9:19 AM

Yes sir!

Ray Pruitt Case 2:24-cv-10546-MWF-BFM Document 47-4 Filed 05/11/25 Page 11 of 13 Page ID #:1371

office 909-625-5500

fax 909-992-3154

Agent License #0D67347

https://go.oncehub.com/RayPruitt

From: Pruitt, Raymond Raymond.Pruitt@horacemann.com

To: Stephen Chapman stephen__chapman@outlook.com

Date: Thu, Jan 6, 2022, 12:48 PM

Hi Stephen. What is the best day of the month for your monthly payments to come out of your account?

Ray

Ray Pruitt

office 909-625-5500

fax 909-992-3154

Agent License #0D67347

https://go.oncehub.com/RayPruitt

From: Stephen Chapman stephen__chapman@outlook.com

To: Pruitt, Raymond Raymond.Pruitt@horacemann.com

Date: Fri, Jan 7, 2022, 2:07 AM

hi Ray,

The 15th of each month would be great. Thanks

Get Outlook for iOS

From: Pruitt, Raymond Raymond.Pruitt@horacemann.com

To: Stephen Chapman stephen__chapman@outlook.com

Date: Fri, Jan 7, 2022, 10:46 AM

Done!

Ray Pruitt

office 909-625-5500

fax 909-992-3154



+











License Details

Print or Download License

👪 Endorsed Agents

Glossary of Terms

Collapse All

Showing 1 to 10 of 14 entries

Name: EDUCATORS INSURANCE SALES, LLC

Information

License #: 0G83988 □

Previous

License Type and/or Qualification	Original Issue Date	Status	Status Date	Expiration Date
Casualty	01/20/2010	Active	08/14/2012	01/31/2026
Property	01/20/2010	Active	08/14/2012	01/31/2026

Business Address: 114 N. INDIAN HILL BLVD U CLAREMONT CA, 91711

Agents: Update your contact and other licensing information.

Company Appointments					
This licensee is authorized to transact on behalf of the following insurers: Show 10 \$ entries	Search:				
Qualification	Effective Date				
DRIVE INSURANCE COMPANY					
Casualty	11/20/2018				
Property	11/20/2018				
HORACE MANN INSURANCE COMPANY					
Casualty	09/20/2013				
Property	09/20/2013				
HORACE MANN PROPERTY & CASUALTY INSURANCE COMPANY					
Casualty	09/20/2013				
Property	09/20/2013				
PALOMAR SPECIALTY INSURANCE COMPANY					
Casualty	12/02/2016				
Property	12/02/2016				
PROGRESSIVE CASUALTY INSURANCE COMPANY					
Casualty	11/20/2018				
Property	11/20/2018				

5/9/25, 8:4Cause 2:24-cv-10546-MWF-BFM Documente 47-4alifor Fiile ch Cab bols 11625 Page 13 of 13 Page

2:24-cv-10546-MWF-BFM Stephen Chapman v. Horace Mann Property and Casualty Insurance Company

Michael W. Fitzgerald, presiding Brianna Fuller Mircheff, referral **Date filed:** 12/06/2024 **Date of last filing:** 04/29/2025

Docket Information and Related Docket Entries Case 2:24-cv-10546-MWF-BFM

Filed: 12/06/2024
Entered: 12/11/2024
Entered By: Carmen Lujan,
Event Name(s): Amended Complaint

Full Docket Text:

CONFORMED COPY OF FIRST AMENDED COMPLAINT against Defendant Horace Mann Property and Casualty Insurance Company amending Complaint - (Discovery), filed by Plaintiff Stephen Chapman. Filed in State Court on 11/14/2024 Submitted with Attachment 3 Exhibit A to Notice of Removal 1 (car)

Directly Related Docket Entries

Filed: 12/06/2024
Last Updated: 12/11/2024
Entered: 12/11/2024
Entered By: Carmen Lujan,

Event Name(s): Complaint - (Discovery)

Full Docket Text:

CONFORMED COPY OF COMPLAINT against Defendants Horace Mann Property and Casualty Insurance Company, filed by Plaintiff Stephen Chapman. Filed in State Court on 10/24/2024 Submitted with Attachment 3 Exhibit A to Notice of Removal 1 (car) Modified on 12/11/2024 (car).

Filed: 12/06/2024
Entered: 12/11/2024
Entered By: Carmen Lujan,

Event Name(s): Answer to Complaint (Discovery)

Full Docket Text:

NON-CONFORMED COPY OF ANSWER to Amended Complaint, filed by Defendant Horace Mann Property and Casualty Insurance Company. Submitted with Attachment 3 Exhibit B to Notice of Removal 1 (car)

PACER Service Center					
Transaction Receipt					
05/03/2025 02:29:47					
PACER Login:	stefingr8	Client Code:	CACDPROS-2SC6EIZ		
Description:	Filer List	Search Criteria:	2:24-cv-10546-MWF-BFM		
Billable Pages:	1	Cost:	0.10		